ASSET PURCHASE AGREEMENT

THIS AGREEMENT entered into this day of chock 2011, is made by and between Zoe Communications, Inc. (referred to as the *Seller*), and K and B Broadcasting, LLC, or its assignee, (hereafter referred to as the *Buyer*).

WITNESSETH:

WHEREAS, Seller is the holder of FCC License to serve the community of Durand, Wisconsin with the call letters WQOQ-AM (the *Station*); and

WHEREAS, Buyer, or its assignee, is a broadcaster who desires to acquire the broadcast license for the Station and all other assets of Seller pertaining thereto, including but not limited to federal, state, and local licenses, authorizations and legal permits, and intellectual property rights; and

WHEREAS, consummation of the transaction contemplated herein requires the prior consent and approval of the Federal Communications Commission;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties, intending to be legally bound, agree as follows:

- 1. **DEFINITIONS**. Unless otherwise stated in this Agreement, the following terms shall have the following meanings.
- (a) Assignment Application (or Application) refers to an application which the parties hereto will join in and file with the Commission requesting its written consent to the terms of this Agreement and the assignment of the FCC Construction Permit to Buyer.
 - (b) Buyer means K and B Broadcasting, LLC (or its assignee)
- (c) Commission (or *FCC*) means the Federal Communications Commission, with offices in Washington, DC.
- (d) Broadcast License means the license issued to Seller by the Commission conferring ownership of the Station, with Facilty ID Number <u>65633</u> together with all modifications thereof and any other licenses held by Seller relating to the Station.
- (e) Closing (or Closing Date) means a date to mutually designated by Seller and Buyer upon which this Agreement will be consummated, which date shall be not latter than the tenth (10th) business day after the Commission's consent and approval has become a *Final Order*, hereinafter defined or at such date as the parties may mutually agree upon.

- (f) Closing Place means such convenient place as the parties shall mutually agree upon.
- (g) Final Order means an Order of the Commission, or its Staff pursuant to delegated authority, granting its consent and approval to the assignment of the FCC license to Buyer, which Order is no longer subject to administrative rehearing, or reconsideration or administrative or judicial review by the Commission or by any court under the Communications Act of 1934, as amended or the Rules and Regulations of the Commission.
 - (h) Seller means Zoe Communications, Inc.
- (i) Station means radio Station WQOQ-AM, licensed to Zoe Communications, Inc by the Federal Communications Commission in the City of Durand, Wisconsin..
- 2. **ASSETS SOLD AND PURCHASED.** Seller, on the Closing Date at the Closing Place, will sell, transfer, convey, assign and deliver to Buyer, free and clear of all liens, claims, and encumbrances all of the assets, business rights, privileges, and immunities of Seller and Station except for those which may hereinafter be expressly excluded. Without limiting the generality of the foregoing, there shall be included:
- (a) The Broadcast License for Station, a copy of which is attached hereto as Appendix A and made a part hereof;
- (b) All of Seller's rights, title, and interest in and to the call letters, WQOQ-AM.
- (c) The files, books, engineering studies, applications to the FCC and other governmental agencies, business correspondence, papers and reports of Seller pertaining to the License or Station, or copies thereof, except those corporate, financial and tax records which shall remain the property of the Seller;
- (d) A complete set of documents required to be placed and maintained in the Public Inspection File of Seller;
- (e) In addition to the above, all leases, easements, permits, right of ways, permits and consents, if any, relating to or used in the construction, operation, or business of Station and assumed specifially by Buyer shall be included, if any, in Appendix B.
- 3. **EXCLUDED ASSETS.** It is understood and agreed that the assets being sold to Buyer do not include cash on hand or in bank, contracts and other liabilities, accounts receivable or securities owned by Seller, which assets shall remain the property of the Seller.

4. PURCHASE PRICE AND METHOD OF PAYMENT. The purchase price to be paid by Buyer to Seller for all of the property, assets, agreements, rights, privileges and immunities to be acquired hereunder shall, subject to any adjustments provided for herein, be the sum of Twenty Thousand Dollars (\$20,000.00) or such lesser amount as is approved by the Commission, and is payable at closing via cashiers check or wire transfer.

5. CONSENT OF THE COMMISSION.

- (a) <u>Prior Consent Required</u>. It is specifically understood and agreed that the consummation of this Agreement shall be subject to the prior final consent of the Commission and issuance of an approval by the FCC and all other governmental parties to move the tower to a new location..
- (b) Filing and Prosecution of Assignment Application. Upon the execution of this Agreement, Buyer and Seller will proceed to expeditiously prepare and file with the Commission the requisite Assignment Application to secure such consent, together with such other necessary instruments and documents as may be required. The parties further agree to prosecute said Application with diligence, and to cooperate with each other in good faith and to use their best efforts to obtain the requisite consent and approval promptly and to carry out the provision of this Agreement. The parties further agree that they are each responsible for their costs associated with this transaction and the needed preparation therof and that the cost of all FCC filings associated with this transaction shall be borne equally between Buyer and Seller.
- (c) <u>Filing and Prosecution of Other Applications.</u> In such circumstances that Buyer determines that a modification application to the existing license may be warranted, the Seller shall expeditiously file the Buyer's desired modification application, the cost of such filing shall be borne fully by the Buyer.
- 6. LEGAL NOTICE OF ASSIGNMENT APPLICATION. Upon the filing of the Assignment Application, Seller shall be responsible for, and shall take the necessary steps to provide, such Legal Notices concerning the filing as is required by the Rules of the Commission. Seller shall provide Buyer with evidence of Seller's compliance with the Commission's Legal Notice requirements.
- 7. TERMINATION OF AGREEMENT. If the Commission has not acted upon and granted its consent and approval to the Assignment Application within nine (9) months from the date of a Commission Public Notice announcing the application as accepted for filing, this Agreement, at the option of either Seller or Buyer, upon ten (10) days written notice to the other party, may be terminated, and will become null and void; however, that the party giving such notice is not in breach of any provision of this Agreement.

8. POSSESSION AND CONTROL. Between the date of this Agreement and the Closing Date, Buyer shall not control the Station. Buyer shall, however, be entitled to reasonable inspection of the assets, and to notice of any unusual developments with the purpose that an uninterrupted and efficient transfer of ownership may by accomplished. It is further understood and agreed that, effective as of the Closing Date and thereafter, Seller shall have no control over, nor right to intervene or participate in, construction or the operation of Station.

9. REMEDIES OF PARTIES.

(a) <u>Buyer's Right of Specific Performance</u>. The parties mutually understand and agree that the assets and property to be transferred pursuant to this Agreement are unique and cannot be readily purchased on the open market. For that reason, among others, buyer will be irreparably damaged in the absence of its consummation. In the event of any controversy regarding the rights of Buyer under this Agreement, said rights, as well as the obligations of Seller, shall be enforceable by decree of specific performance, subject to Commission consent.

10. SELLER'S AFFIRMATIVE COVENANTS, REPRESENTATIONS, AND WARRANTIES. Seller represents and covenants to Buyer that:

- (a) <u>Authorizations.</u> Seller has full power and authority to enter into this Agreement and the Agreement constitutes a valid and binding obligation of Seller in accordance with its terms.
- (b) <u>License</u>. Seller is now and on the Closing Date shall be the holder of the Broadcast License as defined herein and contained in Appendix A. The Broadcast License is now and on the Closing Date shall be in full force and effect unimpaired by any act or omission of Seller, its employees or agents. There is not now and on the Closing Date there shall not be pending or threatened any action by the Commission to revoke, cancel, rescind, modify or refuse to renew in the ordinary course the Broadcast License.

(c) FCC Qualifications.

- (i) Seller is qualified under the Communications Act of 1934, as amended, to assign the Broadcast License to Buyer.
- (ii) Seller does not know of any facts relating or pertaining to Seller which would cause the Commission to deny its consent to the assignment of the License to Buyer, and should any such facts come to Seller's attention, Seller shall promptly notify Buyer thereof and use all reasonable efforts and take such steps as may be necessary to remove such impediments to the Assignment. Seller understands the requirements of 47 C.F.R., Section 3535 and can fully comply with the "one of three: criteria showing required by subsection (b) thereof.

- (d) <u>Public Inspection File.</u> The Public Inspection File for the Station is in order and has been maintained by Seller in accordance with FCC Rules and Regulations. All reports, applications, correspondence, contracts and other documents required to be included in the Public Inspection File of a broadcast Licenseee are contained in the Public Inspection File of Station. Between the date hereof and the Closing Date, Seller shall continue to keep and maintain the Public Inspection File of Station in accordance with FCC Rules and Regulations.
- (e) <u>Litigation</u>. There is not now, and on the Closing Date there shall not be, any judgment outstanding, or any claim, litigation, proceeding or investigation pending, or to the knowledge of Seller, threatened against Seller which might result in any adverse change in the ability of Seller to perform all of its obligations under this Agreement, and Seller does not know of any facts which would form the basis for such claim, litigation, proceeding or investigation.
- (f) <u>Access to Records.</u> Between the date hereof and the Closing Date, Buyer and representatives of Buyer shall, upon reasonable notice, be entitled to inspect the titles, contracts, books of accounts, records and affairs of the Station.
- (g) <u>Insolvency</u>. No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller, or any of its respective properties or assets are no, or on the Closing Date shall be, pending, or, to the knowledge of Seller, threatened. Seller shall not have made any assignment for the benefit of creditors, or have taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.
- (h) <u>Disclosure.</u> No covenant, representation or warranty by Seller and no written statement, schedule or certificate furnished or to be furnished by it pursuant thereto or pursuant to the Closing hereunder contains or shall contain any untrue statement of a material fact or shall omit to state a material fact necessary to provide Buyer with complete and accurate information as to the property and other assets being sold.
- (i) <u>Compliance with Applicable Laws.</u> The facilities of the Station are not the subject of any official complaint or notice of violation of any applicable zoning ordinance or building code, or environmental statute, rule or regulation. Seller is now and on the Closing Date, shall be in compliance with all Rules and Regulations of the FCC.
- 11 NEGATIVE COVENANTS, REPRESENTATIONS AND WARRANTIES OF SELLER. Between the date hereof and the Closing date, except as contemplated by this Agreement, Seller shall not, without the prior written consent of Buyer:

- (a) <u>No Holding Out for Sale.</u> Enter into any negotiations with any party other than Buyer for the assignment and transfer of the Station Assets to be conveyed hereunder, or give an option to any such other party to acquire the assets or stock of Seller:
- (b) Failure to Perform FCC Obligations. Seller shall not, by any act or omission of Seller, its officers, directors, employees or agents, surrender, modify, forfeit or fail to seek timely renewal of the Construction Permit or other necessary authorizations from the Commission or cause the Commission to institute any proceedings for revocation, cancellation or modification of the Broadcast License, or fail to prosecute with due diligence, or participate in the prosecution of, the Assignment Application, including all amendments thereto, as necessitated by FCC Rules and Regulations, or as requested by the Commission Staff.

12. BUYER'S COVENANTS, REPRESENTATIONS AND WARRANTIES. Buyer covenants, represents and warrants to Seller that:

- (a) <u>Power and Authority</u>. The Buyer has the legal capacity and authority to enter into this Agreement; and the Agreement constitutes a valid and binding obligation of Buyer in accordance with its terms.
- (b) <u>Assignment.</u> In the event Buyer's rights and obligations hereunder are assigned to a corporation controlling, controlled by, or under common control with, Buyer, the officers, directors and stockholders of the corporation shall take all legal steps necessary to ratify the execution of this Agreement, to legally bind the corporation, and to ensure that, as of the date of assumption of Buyer's obligations under this Agreement, it shall be a corporation duly organized and validly existing, and that it shall be authorized to do business under the laws of the state of Wisconsin.
- (c) <u>FCC Qualifications</u>. Buyer has no reason to believe that the Commission will not find Buyer fully qualified to become the Licensee of Station.

13. CONDITIONS PRECEDENT TO PARTIES OBLIGATIONS. The obligations of the parties to consummate the transactions contemplated hereby are subject to the fulfillment prior to or at the Closing Date of each of the following conditions:

- (a) <u>Commission Approval.</u> That the Commission shall have consented to the Assignment of the Broadcast License to Buyer without condition or limitation.
- (b) <u>Representations and Warranties</u>. That the representations and warranties of each of the parties contained in this Agreement, or in any related agreement attached or delivered pursuant hereto, shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time.

- (c) <u>Performance.</u> That each of the parties shall have performed and complied in all material respects with all convenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date.
- (d) <u>Broadcast License.</u> On the Closing Date, seller shall be the holder of a valid Broadcast License. No proceedings shall be pending or threatened which might result in revocation, cancellation, suspension or modification of the License.

14. Indemnification of Parties.

- (a) Each party hereby agrees to indemnify and hold the other party harmless from and against:
- (i) Any and all liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to that period of time before or after Closing Date during which time the indemnifying party had control over the License, including, but not limited to, any and all liabilities and obligations arising or required to be performed during said period under any contract or instrument made or subscribed to by Seller and subsequently assumed by Buyer; except otherwise herein, there shall be no indemnification for expenses incurred in connection with formal or informal objections raised before the FCC regarding grant of the Application for Assignment contemplated hereunder.
- (ii) Any and all damages or deficiency resulting from a misrepresentation, breach of warranty or covenant, or non fulfillment of any agreement or obligation on the part of either party under this Agreement, or from any misrepresentations in, or omission from any certificate or other instrument furnished to one party by the other party pursuant to this Agreement or in connection with any of the transactions contemplated hereby.
- (b) If any claim or liability shall be asserted against one party which would give rise to a claim by or against the other party for indemnification under the provisions of this Paragraph, the first party shall promptly notify the second party in writing of the same, and the second, or indemnifying party shall, at its own expense, defend against any such claim.
- **15. SELLER'S PERFORMANCE AT CLOSING.** On the Closing Date at the Closing Place Seller shall execute and deliver or cause to be delivered to Buyer:
- (a) An assignment to Buyer of a valid Broadcast License for WQOQ-AM licensed to Durand, WI..
- (b) An assignment to Buyer of all right, title and interest in and to the Call Letters, WQOQ-AM.

- An assignment of the Public Inspection File of Station, together with a (c) Certification by Seller that all documents required to be maintained in the Public File of Station are included in the Public File.
- The files, records, studies, exhibits and other documents pertaining to the (d) Station.
 - Such other Assignments, Bills of Sale, or other instruments of transfer, (e) assignment or conveyance as may be required by Buyer to effectuate the assignment, transfer and conveyance to Buyer of all the assets, property, rights, privileges and immunities of Seller which are to be sold, transferred, conveyed and assigned to Buyer hereunder.
- 16. **BUYER'S PERFORMANCE AT CLOSING.** On the Closing Date at the Closing Place Buyer shall, upon receipt of the releases, assurances and other documentation provided for by this Agreement:
- Deliver or cause to be delivered to Seller a Cashiers Check or Wire (a) Transfer in the amount \$20,000.00.
- Execute such documents as may be required to complete consummation of (b) this transaction.
- **17.** SURVIVAL OF COVENANT, REPRESENTATIONS AND The parties hereto understand and agree that all WARRANTIES. representations, covenants and warranties and agreements contained in this Agreement shall be deemed to be continuing and shall survive the Closing Date, the delivery of the Broadcast License and other assets to buyer and the payment of the purchase price to
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Seller and shall be binding upon and inure to the benefit of all parties hereto, their heir executors, administrators, successors and assigns.	rs
18. NOTICES. All necessary notices, demands and requests required or permitted to be given under the provisions of this Agreement shall de deemed duly givif mailed by certified mail, return receipt request and postage prepaid, or delivered via overnight courier service, and addressed as follows:	
IF TO SELLER:	
WITH COPY TO:	
IF TO BUYER:	
WITH COPY TO:	

- **20. Benefit**. The parties hereto understand and agree that this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.
- 21. OTHER DOCUMENTS. The parties shall execute such other documents as may be necessary and desirable to the implementation of this Agreement and consummation of this Agreement.
- **22. APPENDICES**. All appendices attached to this Agreement shall deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein. If any provision in any Appendix conflicts with or is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.
- 23. COUNTERPARTS. This Agreement may be signed in any number of counterparts with the same affect as if the signature on each such counterpart were upon the same instrument.
- 24. ENTIRE AGREEMENT. This Agreement is the only Agreement between the parties hereto and contains all of the terms and conditions agreed upon with respect to the subject matter hereof. Except as otherwise provided herein, no alteration, modification or change of this Agreement shall be valid unless by like instrument.
- **25. CHOICE OF LAW.** This Agreement shall be governed by the laws of the State of Wisconsin.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date and year first above written.

SELLER:

Zoe Communications, Inc

Witness

BUYER:

K and B Broadcasting, LLC

Managing Member